



Comparing 30th percentile rents with Local Housing Allowance rates

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covering Cambridgeshire,
Peterborough and West Suffolk

Concerns about LHA rates over time

- Housing affordability is a problem for many parts of the area covered by the Housing Board.
- In many places, house prices and rents are well beyond the reach of people on lower and even middle incomes.
- LHA rates were frozen nationally in (2016?) though there have been some rises since then.
- At the same time, demand for private rented housing and rent levels, have risen.
- For this reason, in August 2019 the Housing Board asked whether we could use Hometrack rents data to provide a snapshot of how rents and LHAs compare.

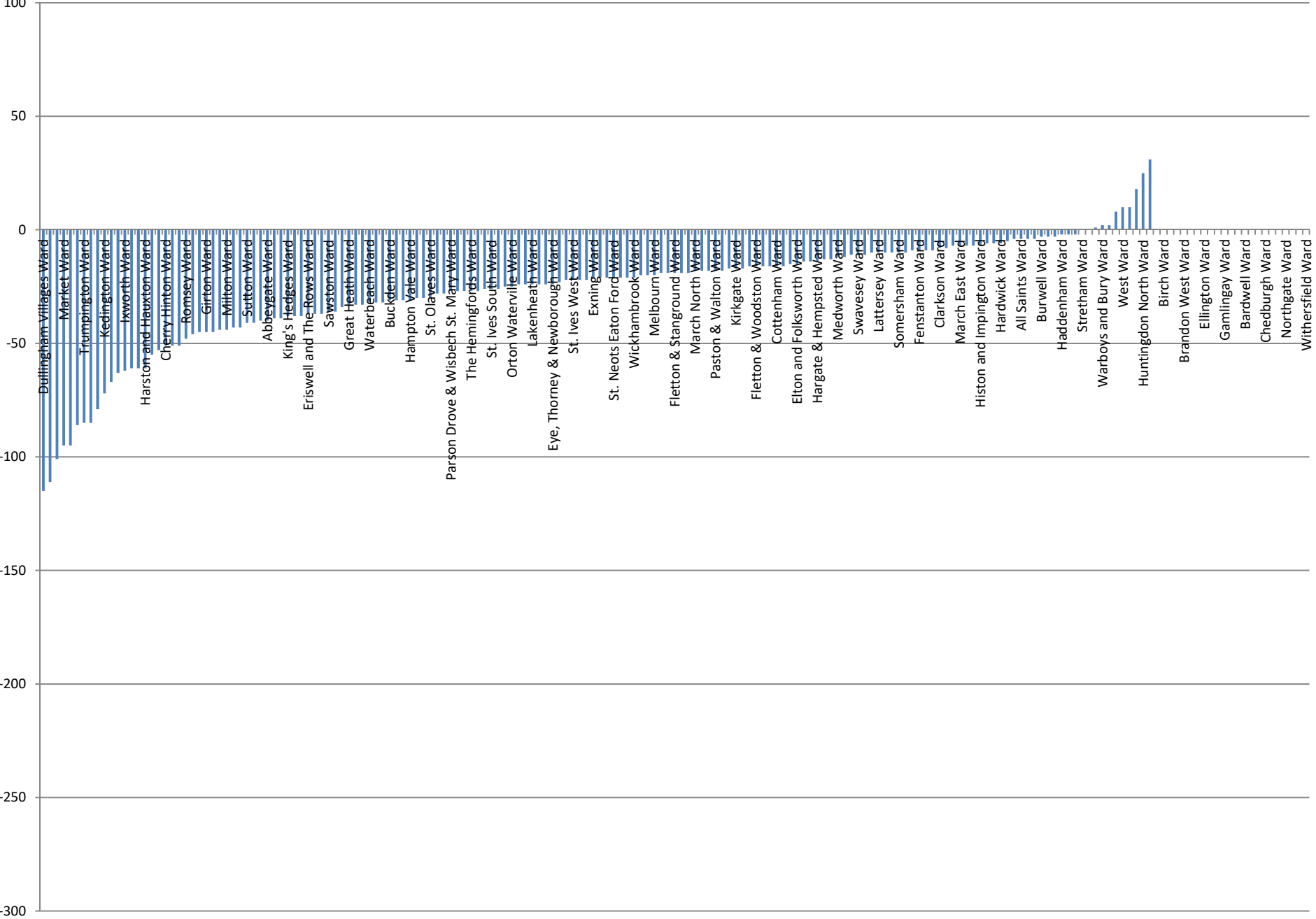
Method

- LHA rates are set on BRMA boundaries. These are mapped here (add link). These are not coterminous with either ward, district or postcode boundaries, they are independently set – you can find out more here (add link).
- LHA rates are provided by the Valuation Office Agency and can be found here (add link).
- Before the freeze, VOA used to set LHA rates based on their 6 monthly survey of local rents, by calculating the 30th percentile in each BRMA. You can find out more here (add link).
- This differs from the Hometrack data which comes from (ZPG?) but as Hometrack provides a 30th percentile figure this should be similar enough to compare to the LHA rates as they stand.
- Hometrack provides rent data at ward level, this includes 30th percentile rents which have been used in this note.

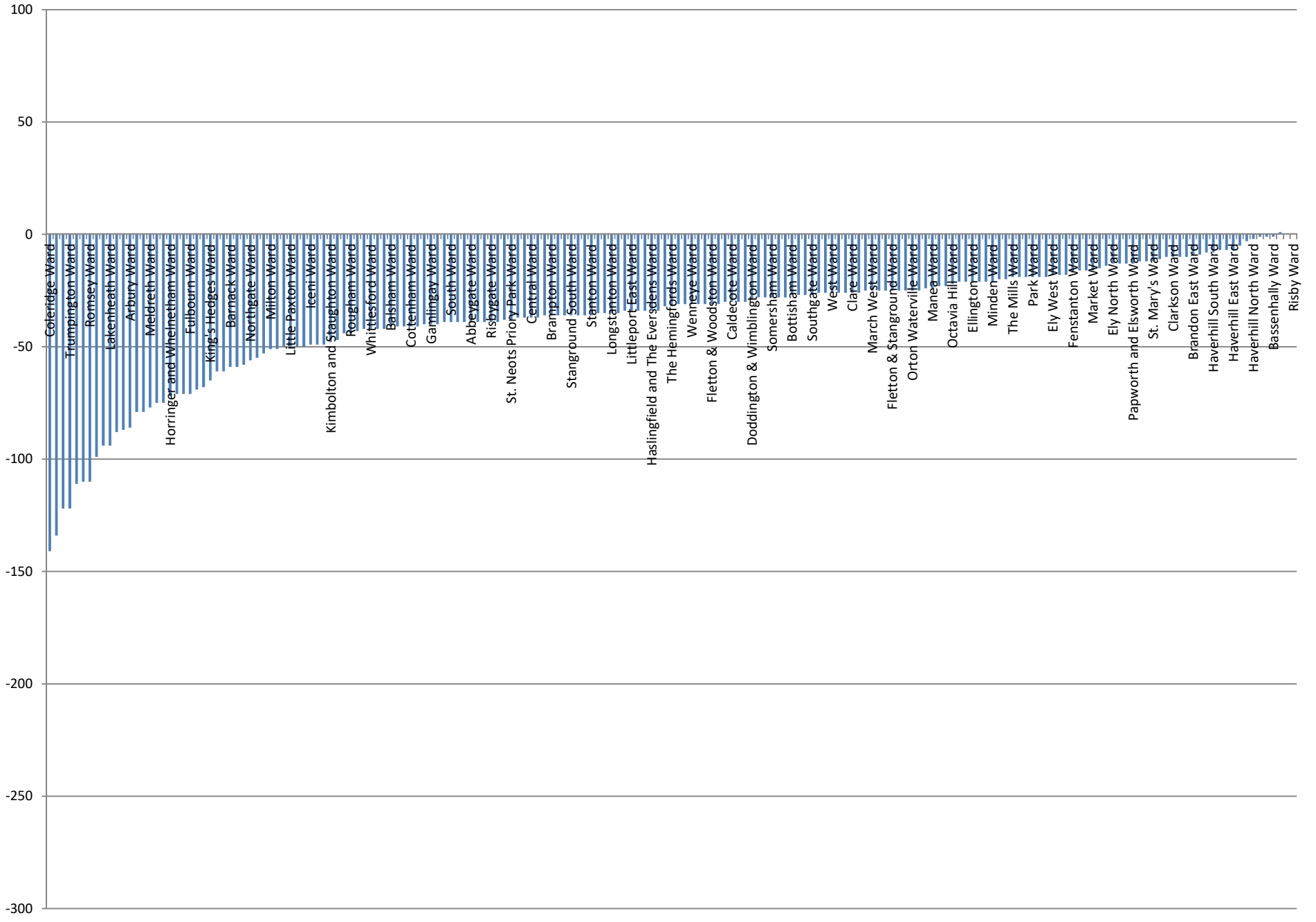
Method (2)

- Download Hometrack data for each ward in our area.
- Align the ward rent data with the “main” BRMA area and therefore the main LHA rate for that ward (some BRMAs split a ward, in which case we decided which was the most populated part of the ward and therefore the LHA rate which would apply to most homes).
- Subtract the LHA rate from the 30th percentile rent to see the “difference” for each ward.

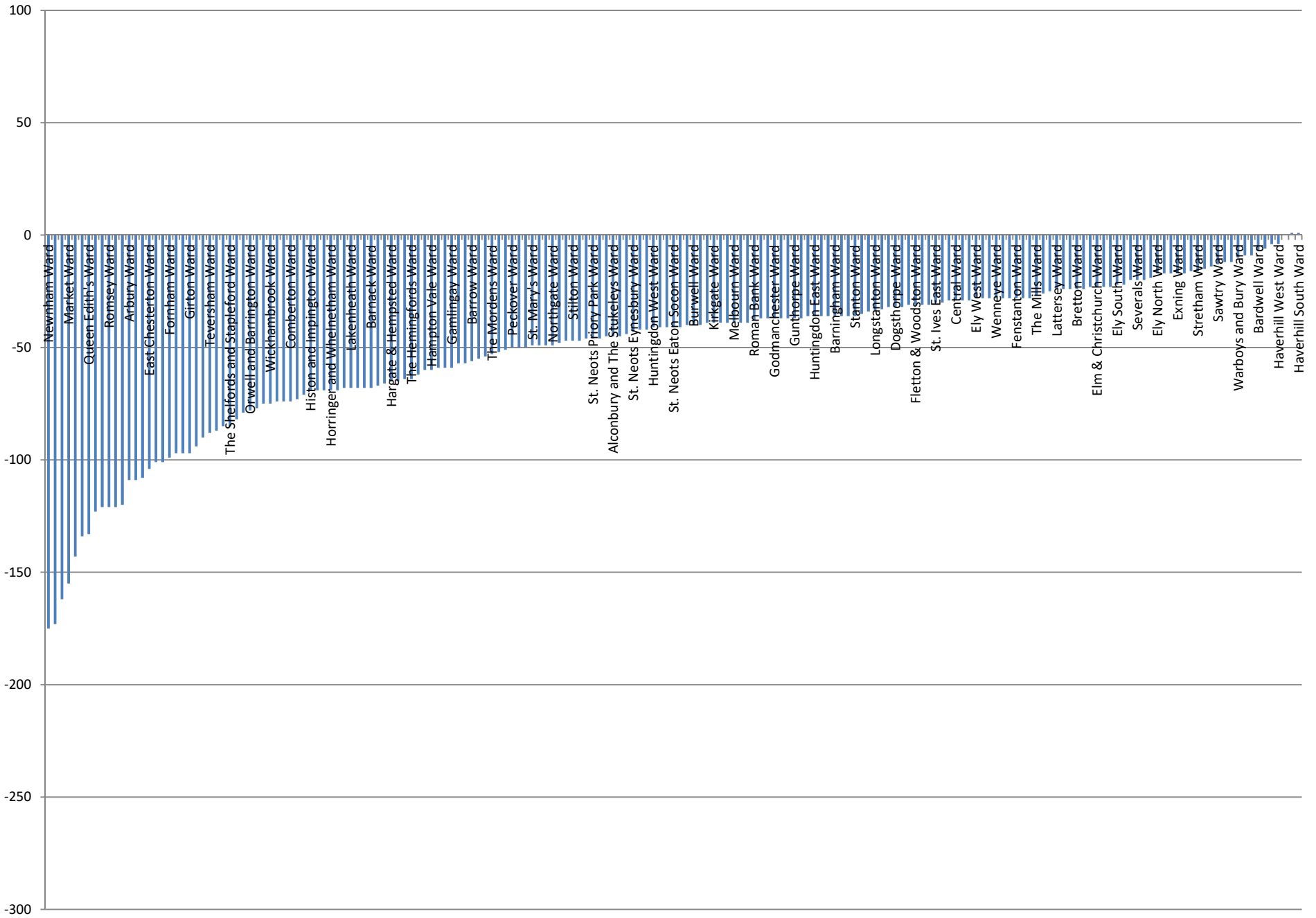
1 bed difference between 30th pc rent and LHA



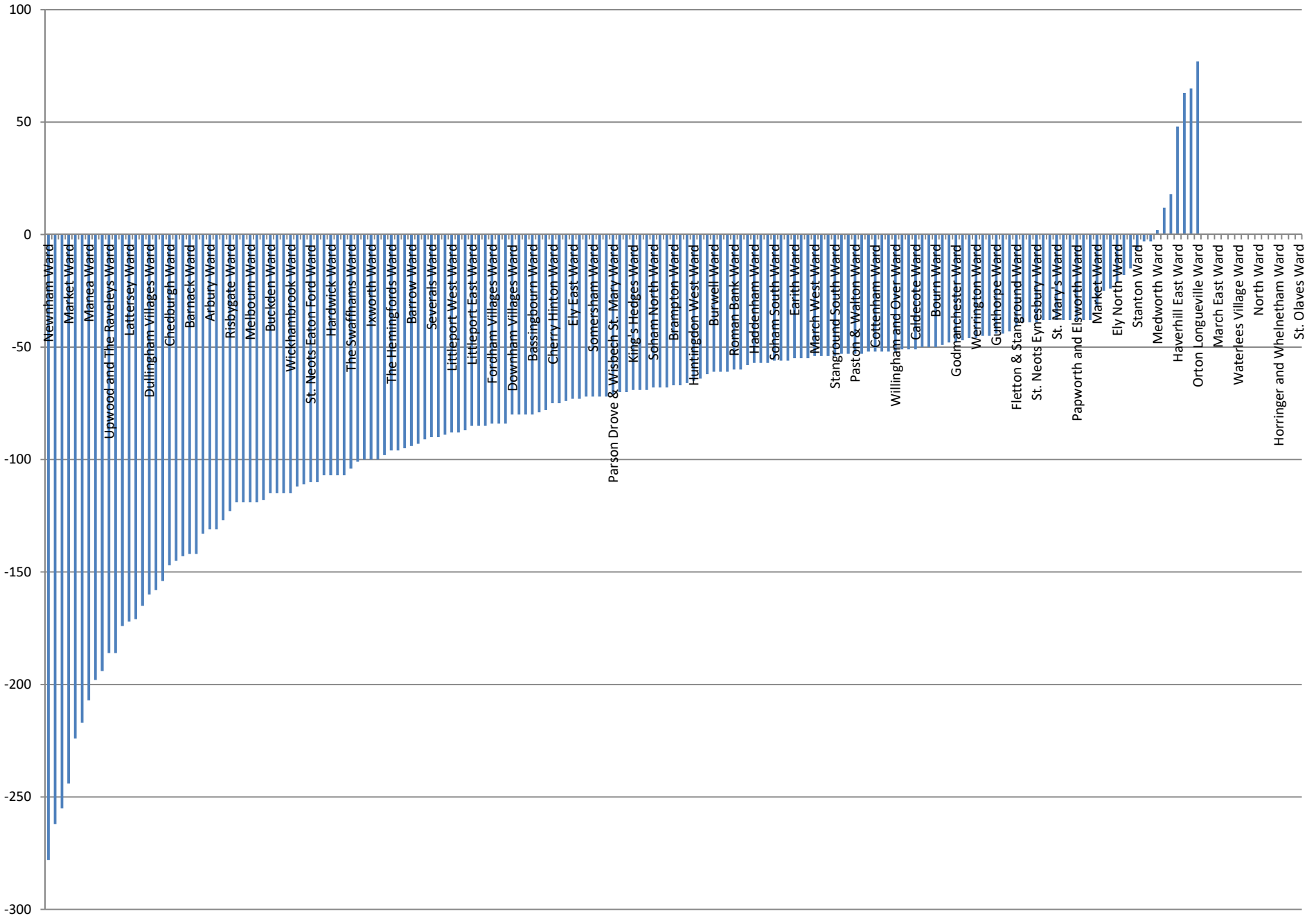
2 bed difference between 30th pc rent and LHA



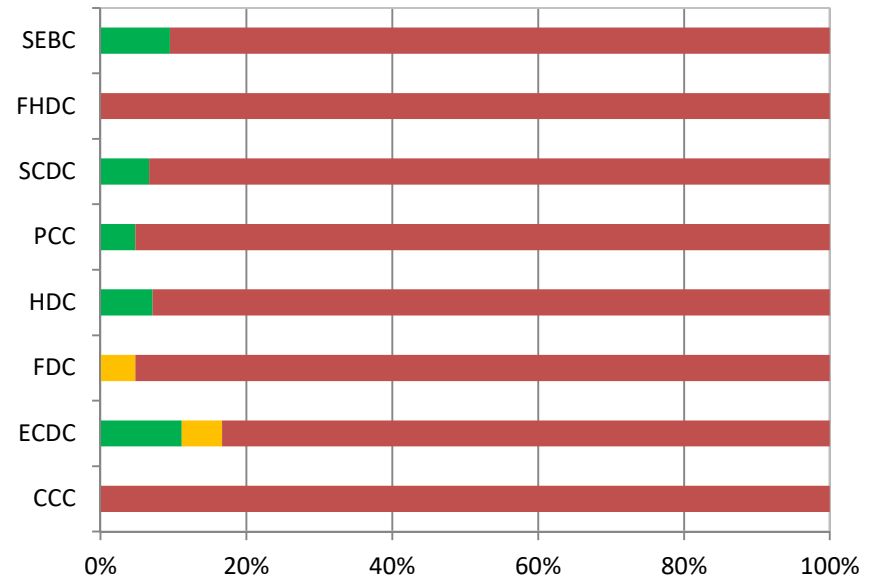
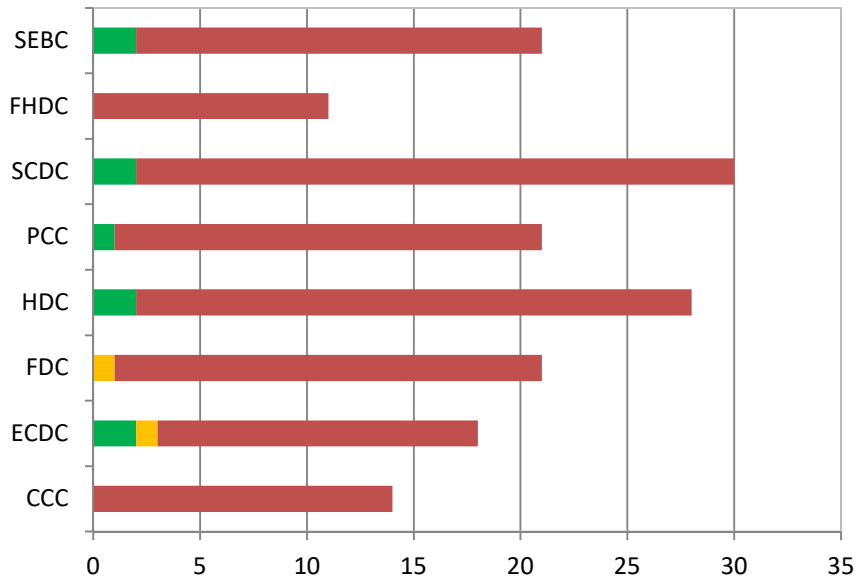
3 bed difference between 30th pc rent and LHA



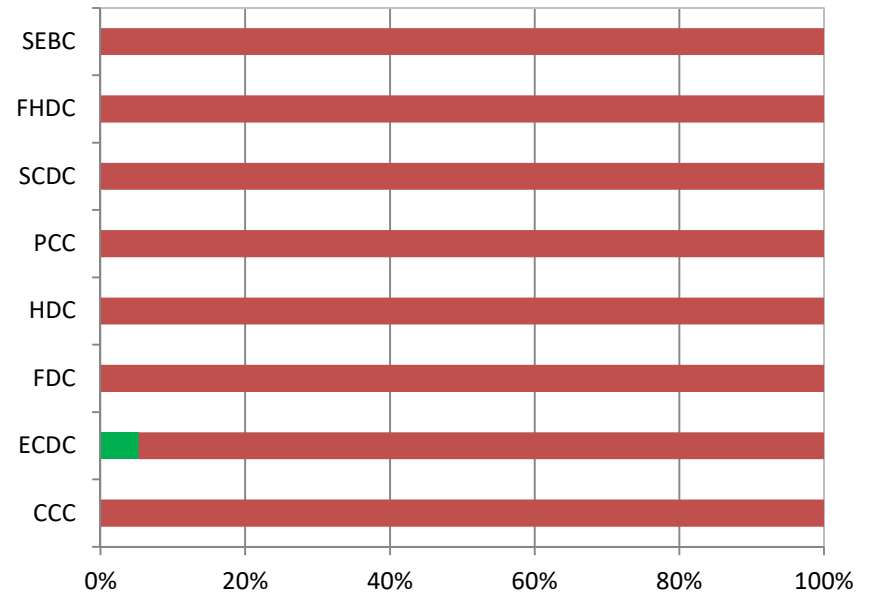
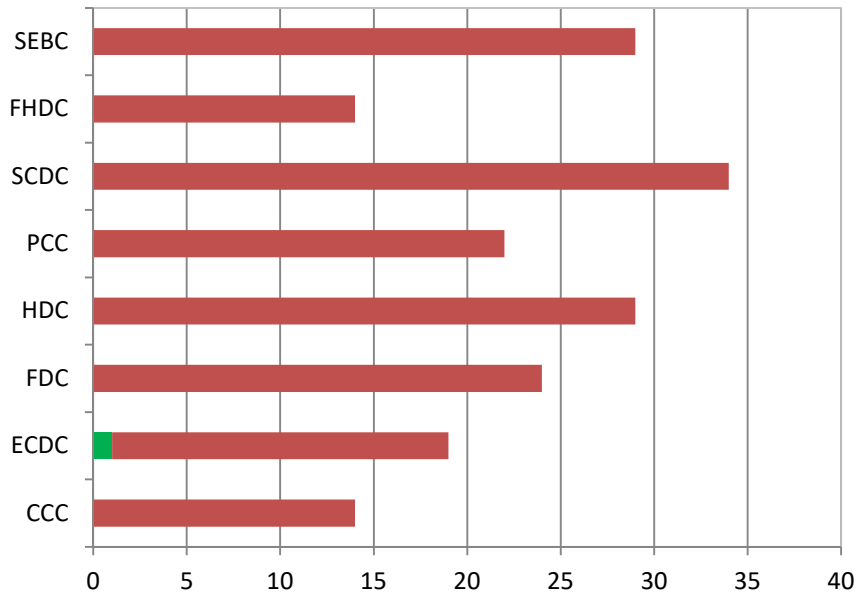
4 bed difference between 30th pc rent and LHA



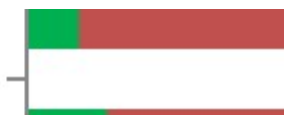
Number and % of wards: 1 beds



Number and % of wards: 2 beds

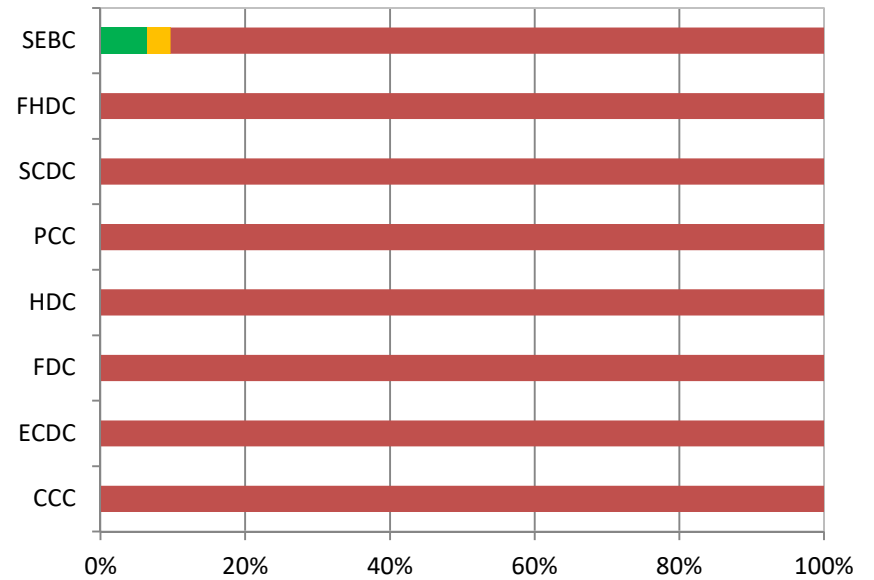
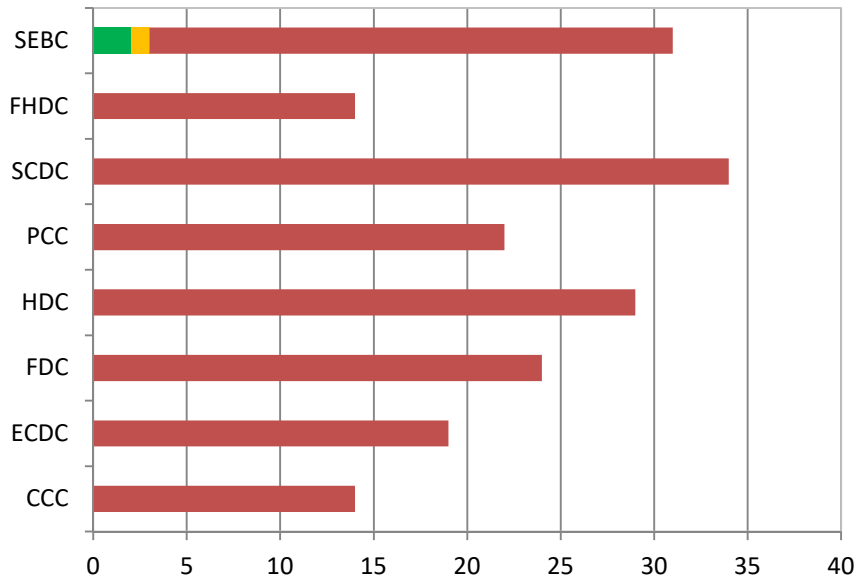


HDC

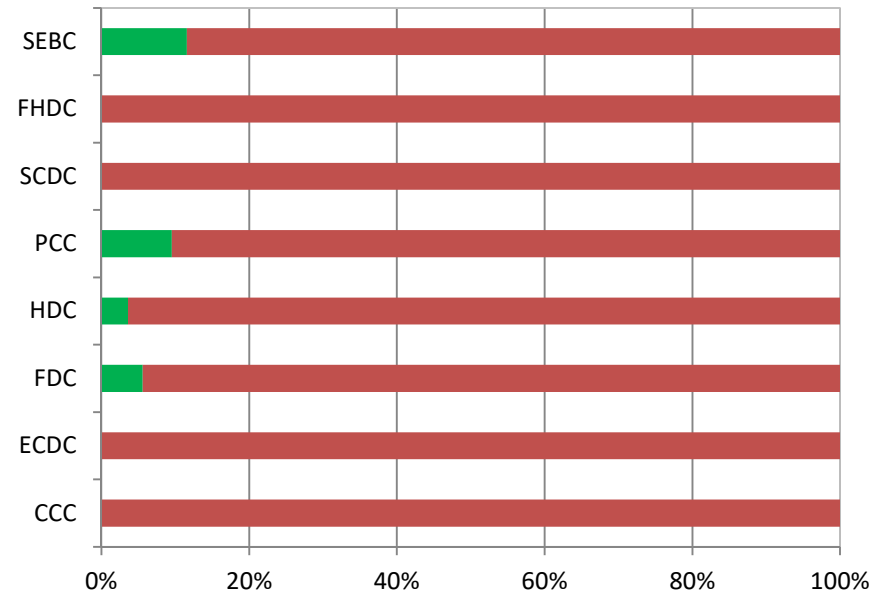
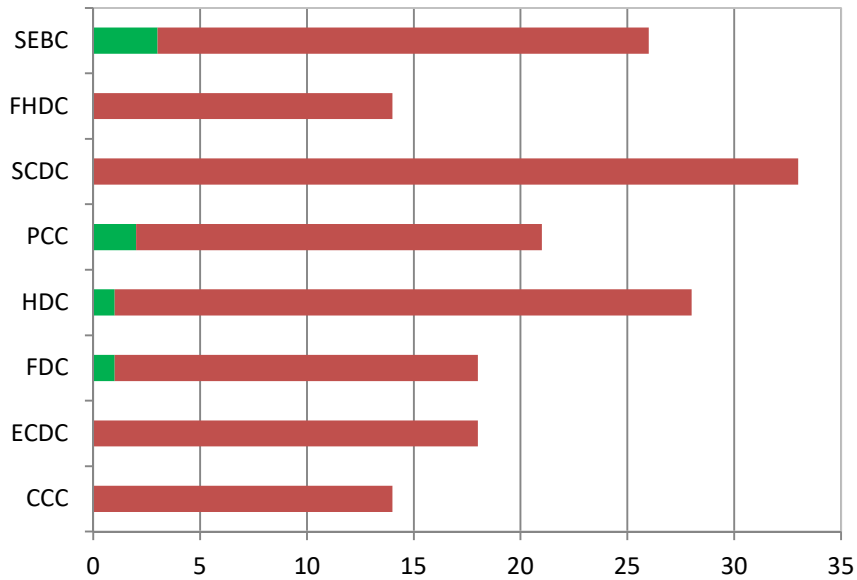


FDC

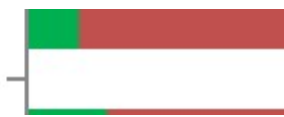
Number and % of wards: 3 beds



Number and % of wards: 4 beds



HDC



FDC

Number of wards where 30th pc rent is + / - / = LHA rate

	1 BEDS				2 BEDS				
	Count of wards	LHA > rent	LHA = rent	LHA < rent	# blanks	LHA > rent	LHA = rent	LHA < rent	# blanks
CCC	14	0	0	14	0	0	0	14	0
ECDC	19	2	1	15	1	1	0	18	0
FDC	24	0	1	20	3	0	0	24	0
HDC	29	2	0	26	1	0	0	29	0
PCC	22	1	0	20	1	0	0	22	0
SCDC	34	2	0	28	4	0	0	34	0
FHDC	14	0	0	11	3	0	0	14	0
SEBC	31	2	0	19	10	0	0	29	2
Total wards	187	9	2	153	23	1	0	184	2

	3 BEDS				4 BEDS				
	Count of wards	LHA > rent	LHA = rent	LHA < rent	# blanks	LHA > rent	LHA = rent	LHA < rent	# blanks
CCC	14	0	0	14	0	0	0	14	0
ECDC	19	0	0	19	0	0	0	18	1
FDC	24	0	0	24	0	1	0	17	6
HDC	29	0	0	29	0	1	0	27	1
PCC	22	0	0	22	0	2	0	19	1
SCDC	34	0	0	34	0	0	0	33	1
FHDC	14	0	0	14	0	0	0	14	0
SEBC	31	2	1	28	0	3	0	23	5
Total wards	187	2	1	184	0	7	0	165	15

30th pc rents compared to LHA by size

	Rent < LHA	Rent = LHA	Rent > LHA	Biggest gap between rent and LHA
1 bed	5%	1%	93%	- £115
2 bed	1%	0%	99%	- £141
3 bed	1%	1%	98%	- £175
4 bed	4%	0%	96%	- £278

Overview

- Across Cambridgeshire Peterborough and West Suffolk there are 187 wards in total. We analysed each ward by 1, 2, 3 and 4 beds; giving us a total of **748** pieces of data / cases.
- **5%** had insufficient Hometrack rent data to prove robust (that's **40** cases).
- **3%** saw the LHA covering the 30th pc rent (i.e. 30th pc rents are equal to LHA rate in **3** cases, or lower than the LHA rate in **19** cases)
- **92%** saw the LHA lower than the 30th pc rent level provided by Hometrack (that's **686** cases).

Queries?

- You can find out more about the Housing Board at www.cambridgeshireinsight/housing
- You can contact Sue at sue.beecroft@cambridge.gov.uk



Cambridgeshire | Peterborough | West Suffolk